

# Labour Market Notes

## Employment steps back in August

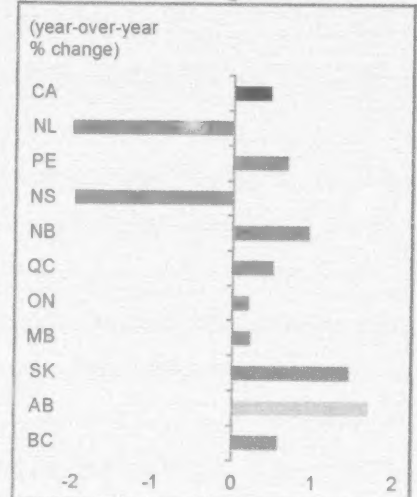
### Alberta

- ♦ Job creation pauses. Alberta employment fell by 13,400 jobs in August, a step back from the average monthly gains of 6,600 in the previous seven months of 2014.
- ♦ Full-time employment slips. Alberta lost 12,600 full-time jobs in August and 900 part-time jobs. The private (-12,500) and public (-7,100) sectors both shed jobs, while self-employment gained 6,200 jobs.
- ♦ Alberta leads provinces in annual job growth. Alberta's year-over-year job growth continues to be the highest across the provinces at 1.7%, although this is the smallest increase since December 2012. Alberta has added 37,800 jobs over the past 12 months, also the highest number across the provinces.
- ♦ Unemployment rate rises. Alberta's unemployment rate increased by 0.2 percentage points to 4.9% in August. The rate remains the second lowest among the provinces behind Saskatchewan.
- ♦ Job losses concentrated in the service sector. Service-producing industries lost 16,700 jobs in August, with the trade (-10,000) and healthcare and social assistance (-7,100) industries mainly responsible for the dip. Strong job gains in transportation and warehousing (+12,200) and professional, scientific and technical services (+11,200) helped dampened the overall decline. The goods-producing industries gained a modest 3,200 jobs in August.
- ♦ Widespread earnings growth. Average weekly earnings rose to \$1,156 in June, a 5.0% year-over-year increase. Growth in the goods-producing sector outpaced the service-producing sector, though both posted solid growth.

### Canada

- ♦ Employment slumps. Employment in Canada (-11,000) was largely unchanged in August after increasing in July. The private sector (-111,800) lost a substantial number of jobs, while self-employment (+86,900) surged and the public sector added 14,000. Over the past 12 months, Canada has added only 81,300 jobs, a modest 0.5% increase.
- ♦ Unemployment rate unchanged. The Canadian unemployment rate was 7.0% in August, unchanged from July.
- ♦ Strong earnings growth. Canadian average weekly earnings were \$940 in June, a 0.6% increase from May and 3.3% higher than June 2013. Alberta had the second highest year-over-year growth after Newfoundland and Labrador at 6.1%.

Employment Growth by Province,  
August 2014 vs. August 2013



Source: Statistics Canada

### Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,269,200
month-over-month change	-13,400
year-over-year % change	1.7%
Alberta Unemployment Rate (UR)	4.9%
Edmonton UR**	5.6%
Calgary UR**	5.5%
Participation Rate	72.4%
Average Weekly Earnings (AWE)	\$1,156.28
year-over-year % change	5.0%
Average Hourly Wage	\$28.09
year-over-year % change	2.6%
Job Vacancy Rate**	2.4%

Source: Statistics Canada

\* All data is from the Labour Force Survey for August except AWE, which is from the June Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate is for May.

\*\* This indicator is calculated as a three-month moving average and is not seasonally adjusted.

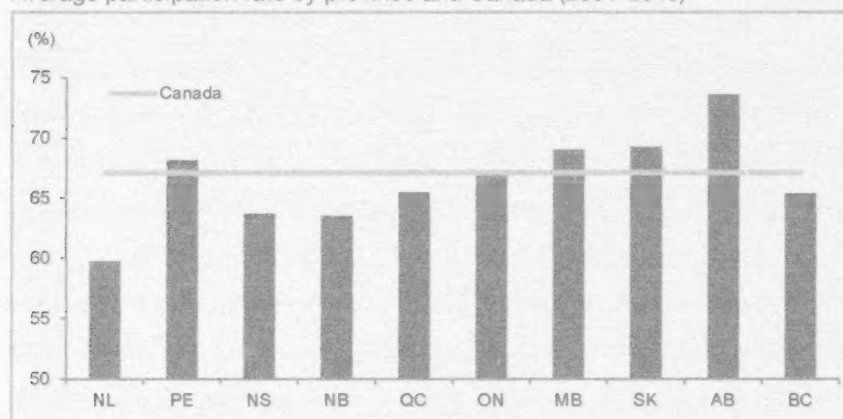
# Explaining Alberta's high participation rate

For over 30 years, Alberta has had the highest participation rate (the "part-rate") among the provinces. Since 1976, Alberta's part-rate has averaged 72.2% compared with 65.7% nationally. Last month's rate of 72.4% was 6.4 percentage points above the national average. This month's *Labour InSight* sheds light on why Alberta's part-rate is so high.

## A strong economy

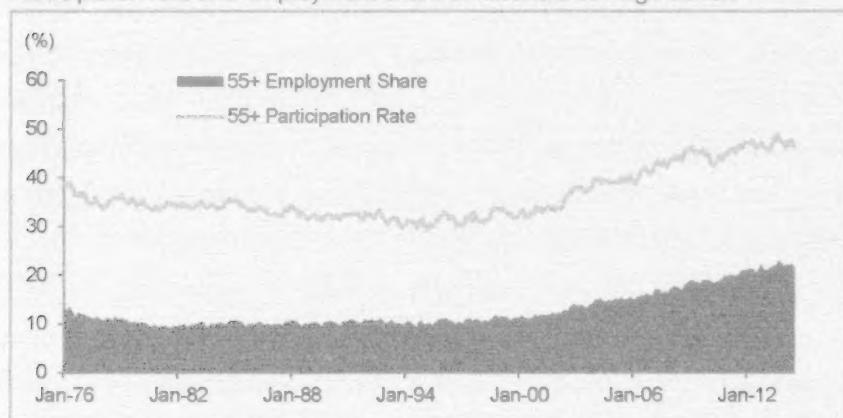
Over the last ten years, employment growth in Alberta has been the highest among the provinces, at 2.5% per year. A strong labour market and *higher wages* have helped attract prime working age migrants from other provinces and abroad and kept participation rates high among all age groups.

**Chart 1: Alberta has the highest average participation rate**  
Average participation rate by province and Canada (2004-2013)



Source: Statistics Canada

**Chart 2: Older workers participating more in the workforce**  
Participation rate and employment share of Alberta's 55+ age cohort



Source: Statistics Canada

## Alberta's young workforce

Alberta has the highest percentage of its population in the prime working age (25-54) among the provinces. In addition, over the past 10 years, Alberta's working-age part-rate has averaged 87.8% which is above Canada's rate of 86.4%. These two factors have contributed to Alberta's higher part-rate.

Strong economic conditions also pull younger workers, aged 15-24, into the labour force. Alberta's part-rate for this age group has been the highest across the provinces at 70.6% over the last ten years, well above the Canadian average of 65.6%.

## Older workers keep working

The fastest growing segment of labour force participation in Alberta has been older workers (55+), as they extend their careers into the traditional retirement years. Between 1976 and 2000, the part-rate for older workers held steady, averaging 33%, then jumped to over 41% after 2000. Alberta has, by far, the highest 55+ part-rate among the provinces. Concurrently, employment growth for older workers has outpaced growth in employment for the 15-54 cohort by three fold since 2000. Older workers now account for over 20% of employment in the province, up from 10% in the 1990s. This is now roughly in-line with their share of the population.

## Summary

Alberta's high part-rate is a result of a strong economy, luring working-age migrants and youth into the workforce. Older workers extending their careers has also helped to sustain Alberta's high part-rate.

## Contact

Erin Bartmanovich 780.427.8814  
Mark Walker 780.415.0825